

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

COME-00 EB-07 LAB-04 SIL-01 /074 W

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R 201400Z OCT 76

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 7612

LIMITED OFFICIAL USE SECTION 1 OF 2 BUENOS AIRES 6898

E.O. 11652: N/A

TAGS: ELAB, AR

SUBJECT: LUZ Y FUERZA UNION ORDERS TEMPORARY LETUP IN STRIKE

REF: BUENOS AIRES 6821 AND PREVIOUS

1. SUMMARY. AS A RESULT OF BOTH FIRMLY-WORDED GOVERNMENT COMMUNIQUE AND INFORMAL CONTACTS BETWEEN UNION REPRESENTATIVES AND OFFICIALS OF THE GOVERNMENT AND THE ARMED FORCES, THE LUZ Y FUERZA LEADERSHIP ORDERED ITS MEMBERS BACK TO WORK OCTOBER 18 AND 19. THE UNION HAS PROPOSED A NEGOTIATED SETTLEMENT OF THE CONFLICT CONSISTING OF A REINCORPORATION OF SOME OF THE SEGBA WORKERS AND UNION SHOP STEWARDS RECENTLY DISMISSED, TOGETHER WITH A PLAN TO INITIATE A JOINT MANAGEMENT-UNION DISCUSSIONS AIMED AT REDUCING THE PERSONNEL LEVELS IN THE STATE ENTERPRISE ON A MUTUALLY AGREEABLE BASIS. IF THE GOVERNMENT REJECTS THE PROPOSAL, UNION OFFICIALS MAINTAIN, THE STRIKE WILL RESUME. CONFLICTS IN OTHER LABOR SECTORS APPEAR TO BE LOOMING ON THE HORIZON AS WELL. END SUMMARY.

2. LAST FRIDAY AND SATURDAY THE GOVERNMENT ISSUED SIX MORE COMMUNIQUE DEALING WITH THE LABOR CONFLICT IN THE BUENOS AIRES LIGHT AND POWER SECTOR WHICH BEGAN OCTOBER 5. A TOTAL OF NINE SUCH COMMUNIQUE HAVE BEEN ISSUED SINCE THE JUNTA DECIDED OCTOBER 14 TO ASSUME DIRECT RESPONSIBILITY FOR RESOLV-

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ING THE DISPUTE. COMMUNIQUE NO. 4 DECLARED AS A PRIORITY

OBJECTIVE THE "ERRADICATION OF SUBVERSION AND PROMOTION OF HARMONIOUS DEVELOPMENT BASED ON THE EQUILIBRIUM AND RESPONSIBLE PARTICIPATION OF THE DIFFERENT SECTORS WITH A VIEW TOWARD ASSURING SUBSEQUENTLY THE INSTALLATION OF A FEDERAL, REPRESENTATIVE, REPUBLICAN DEMOCRACY." ACHIEVING THESE OBJECTIVES, CONTINUED THE COMMUNIQUE, REQUIRED A MEASURE OF SACRIFICE AND SUBORDINATION OF GROUP INTERESTS IN FAVOR OF THE SUPREME INTERESTS OF THE STATE. FINALLY, THE COMMUNIQUE WARNED THAT SUBVERSIVE FORCES WERE ATTEMPTING TO CAPITALIZE ON THE LABOR CONFLICT "IN PURSUIT OF FOREIGN INTERESTS" AND THAT THE WORKERS SHOULD NOT ALLOW THEMSELVES TO BE USED AS PAWNS IN THE SUBVERSIVES' GAME.

3. COMMUNIQUE NO. 5 ANNOUNCED THE EXISTENCE OF PICKET LINES AIMED AT INTIMIDATING THE WORKERS, PARTICULARLY THE MAINTENANCE CREWS, FROM RETURNING TO WORK, AND REPEATED EARLIER WARNINGS THAT SUCH ACTION FELL UNDER THE PURVIEW OF LAW NO. 21400 AND WAS DEEMED TO BE SUBVERSIVE BY THE GOVERNMENT. COMMUNIQUE NO. 6 AGAIN WARNED THE WORKERS NOT TO PERMIT THEMSELVES TO BE USED BY SUBVERSIVES SEEKING TO INTERRUPT ESSENTIAL PUBLIC SERVICES AND PROMOTE ACTS OF VIOLENCE. COMMUNIQUE NO. 7, 8 AND 9 CONTAINED SIMILAR WARNINGS AND A FURTHER REPETITION OF THE SEVERE PENALTIES PROVIDED BY THE LAW.

4. CONTINUING ITS UNUSALLY OUTSPOKEN CRITICISM OF THE ENERGY SECRETARIAT'S HANDLING TO THE DISPUTE, "LA OPINION" PROFESSED TO SEE A NEW SIGN OF FLEXIBILITY ON THE GOVERNMENT'S PART EMANATING FROM THE COMMUNIQUE, PARTICULARLY IN NOS. 3 AND 4, NOTWITHSTANDING THEIR OVERALL TOUGH-SOUNDING TONE. UNDER BANNER HEADLINES ANNOUNCING PRESIDENT VIDELA'S TAKING "THE ONLY ROUTE POSSIBLE" IN THE CONFLICT, "LA OPINION" READ THE COMMUNIQUE AS A CRITICISM OF "THOSE OFFICIAL SECTORS" WHICH HAD SOUGHT TO TAKE ADVANTAGE OF THE GOVERNMENT DECISION TO BRING A MEASURE OF RATIONALIZATION TO THE STATE ENTERPRISES BY INITIATING A PROCESS OF BEATING THE UNIONS INTO TOTAL SUBMISSION. (THAT "OPINION'S" POLITICALLY SAVVY PUBLISHER JACOBO TIMERMAN WOULD VENTURE SUCH A RISKY POSTURE SUGGESTS TO US THAT HE HAS SUPPORT WITHIN THE GOVERNMENT FOR THIS LINE.)

5. OTHER PUBLICATIONS HAVE ALSO INTERPRETED THE JUNTA'S ASSUMPTION OF A DIRECT ROLE IN THE CONFLICT AS AN IMPLICIT LIMITED OFFICIAL USE

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CRITICISM OF THE STATE SECRETARIAT AND SEGBA'S ACTIONS. THERE WAS, FOR EXAMPLE, A FURTHER ACCOUNT OF GENERAL VIDELA'S OCTOBER 7 MEETING WITH ENERGY SECRETARY ZUBARAN AND SEGBA PRESIDENT (ADMIRAL) IMPOSTI IN "TOP NEWS" (ONE OF THE SEVERAL CONFIDENTIAL NEWSLETTERS WHICH CIRCULATE IN BUENOS AIRES) DESCRIBING VIDELA AS HAVING SUBJECTED THE TWO HAPLESS OFFICIALS TO A "DRESSING DOWN" FOR PROVOKING AN UNNECESSARY CONFLICT. WHAT REPORTEDLY INTERESTED THE PRESIDENT WAS THAT, UNLIKE THE

REDUCTIONS IN FORCE CARRIED OUT IN OTHER STATE AND MUNICIPAL ENTERPRISES IN WHICH AN ATTEMPT WAS MADE TO FOCUS PRIMARILY ON PERSONNEL NEARING RETIREMENT AGE OR ON THOSE RECENTLY HIRED, SEGBA HAD DECIDED TO DECLARE WAR ON THE UNION BY SACKING THE UNION LEADERS FIRST. OTHER ASSERTIONS OF "TOP NEWS" (WHICH PROBABLY HAS SOURCES WITHIN THE LABOR MINISTRY) WERE THAT: (A) VIDELA BLAMED THE TWO OFFICIALS FOR RUINING SIX MONTHS OF TRYING TO REACH A MODUS VIVENDI WITH THE ARGENTINE LABOR MOVEMENT; (B) THE STRIKE DID NOT EXPAND INTO A MORE SERIOUS, GENERALIZED LABOR CONFLICT BECAUSE THE MODERATE LEADERSHIP OF THE LUZ Y FUERZA UNION ENJOYED GOOD RELATIONS WITH THE MILITARY (READ, LABOR MINISTER LIENDO); (C) LIENDO WAS CUT OUT OF THE DECISION-MAKING LEADING TO THE DISMISSAL OF THE UNION LEADERS, FURTHER INCREASING THE TENSION ALREADY EXISTING BETWEEN THE MINISTERS OF LABOR AND ECONOMY; (D) ZUBARAN'S ANNOUNCEMENT AT THE HEIGHT OF THE CONFLICT, AS HE PREPARED TO DEPART THE COUNTRY FOR AN INTERNATIONAL ENERGY CONFERENCE ABROAD, TO THE EFFECT THAT "NORMALITY HAD BEEN RESTORED," FURTHER IRRITATED THE MILITARY AND HAS LED TO PRESSURES AIMED AT FORCING ZUBARAN AND IMPOSTI'S RESIGNATIONS; (E) SEGBA'S CURRENT MANAGEMENT WAS RIDDLED WITH CORRUPTION, IRKING THE MILITARY EVEN FURTHER; AND (F) THE GOVERNMENT HAD BEEN RELUCTANT TO ENFORCE ITS OFT-REPEATED INTENTION TO APPLY EXISTING LEGAL PENALTIES AGAINST THE WORKERS, BECAUSE MANY SOLDIERS AND OFFICERS WERE IN SYMPATHY WITH THE STRIKERS.

6. WHILE MANY OF THE ABOVE ASSERTIONS ARE EXAGGERATED AND SELF-SERVING, WE BELIEVE THEY PROBABLY REFLECT ACCURATELY GENERAL VIDELA'S UNHAPPINESS WITH THE MISHANDLING OF SEGBA'S RATIONALIZATION PLAN BY ITS MANAGERS. THEY ALSO REFLECT, WE BELIEVE, DIVISIONS WITHIN THE GOVERNMENT, AND WITHIN THE MILITARY AS WELL, OVER WHAT TO DO WITH THE UNIONS. THE POSITION TAKEN BY ZUBARAN AND IMPOSTI SEEMS TO REFLECT THE CONVICTION OF LIMITED OFFICIAL USE

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SEGMENTS OF THE PRIVATE SECTOR THAT FUNDAMENTAL STRUCTURAL CHANGES ARE NECESSARY IN THE ROLE OF THE TRADE UNIONS IN ORDER TO GUARANTEE THE SUCCESS OF THE GOVERNMENT'S ECONOMIC PLAN AND, INDEED, OF THE GOVERNMENT ITSELF. THE POSITION TAKEN BY THE LABOR MINISTRY REFLECTS THE VIEW THAT SOME MODIFICATIONS OF THE PERQUISITES, ELIMINATION OF THE EXCESSES OF THE PERONIST PERIOD AND CHANGING OF THE TOP UNION LEADERSHIP MAY BE ALL THAT IS NECESSARY. THESE CONFLICTING VIEWS WOULD APPEAR TO HAVE THEIR RESPECTIVE SUPPORT IN DIFFERENT SECTORS OF THE ARMED FORCES.

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NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

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R 201400Z OCT 76

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7. WE UNDERSTAND THAT EX-LUZ Y FUERZA SECRETARY GENERAL OSCAR SMITH MET INFORMALLY WITH LABOR MINISTER LIENDO LATE LAST WEEK. IN THIS, AND IN OTHER SEPARATE, CONFIDENTIAL CONTACTS WITH AIDES TO ARMY COMMANDER VIOLA AND OFFICERS OF THE NAVY, UNION REPRESENTATIVES PROPOSED THE FOLLOWING RESOLUTION TO THE CONFLICT: THAT THE WORKERS WOULD RETURN TO WORK IN ORDER TO PRESERVE THE GOVERNMENT'S IMAGE AND THE PRINCIPLE OF AUTHORITY. WITHIN A WEEK, PRESS COVERAGE AND PUBLIC ATTENTION WOULD DIE DOWN, AT WHICH TIME THE UNION WOULD EXPECT THE GOVERNMENT: TO REINCORPORATE UNION "DELEGADOS" (BUT NOT THE UNION LEADERS) TO THEIR JOBS IN SEGBA; TO GRADUALLY REINCORPORATE THOSE WORKERS AGAINST WHOM NO CRIMINAL CHARGES ARE OUTSTANDING; AND TO CREATE A NEGOTIATING COMMITTEE COMPOSED TO SEGBA AND UNION REPRESENTATIVES (WITH THE PARTICIPATION OF THE MILITARY INTERVENTORS OF THE UNION) TO DISCUSS THE GOVERNMENT'S PROPOSED MODIFICATIONS OF THE COLECTIVE AGREEMENT AND A NEW PLAN TO EFFECT REDUCTIONS-IN-FORCE ON A MORE RATIONAL BASIS. ALL THIS COULD BE DONE QUIETLY AND WITHOUT PUBLICITY TO PERMIT THE GOVERNMENT TO MAINTAIN THAT IT HAD WON THE DAY. ACCORDING TO EX-LEADER JUAN JOSE TACCONE, THE UNION PROPOSAL WAS RECEIVED FAVORABLY IN SOME QUARTERS (I.E., PRESUMABLY BY THE LABOR MINISTER AND THE ARMY) BUT UNFAVORABLY "IN OTHERS." A NAVY REPRESENTATIVE REPORTEDLY OFFERED TO CHANGE ONE WORD IN THE PROPOSED LAW (WHICH LAST WEEK WAS TRANSMITTED BY THE LEGISLATIVE ADVISORY COMMISSION

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TO THE JUNTA FOR ITS CONSIDERATION) FROM REVOCATION OF THE COLLECTIVE AGREEMENT TO "SUSPENSION." THE UNION REJECTED THIS AS A MEANINGLESS DISTINCTION. HOWEVER, UNION LEADERS ORDERED THE WORKERS BACK TO THEIR JOBS OCTOBER 18 TO GIVE THE GOVERNMENT 24 HOURS TO CONSIDER THE UNION'S PROPOSAL. WORKERS RETURNED TO THEIR JOBS AND WORKED OCTOBER 18 AND CONTINUED OCTOBER 19, ALTHOUGH AT A SLOWED UP PACE. MAINTENANCE CREWS RETURNED TO WORK OVER THE WEEKEND AND, AS A RESULT, MANY OF THE GENERATORS AND TRANSFORMERS WHICH HAD BEEN MALFUNCTIONING, MORE AS A RESULT OF LACK OF MAINTENANCE THAN FROM OUTRIGHT ACTS OF SABOTAGE, ARE NOW BACK IN OPERATION. HOWEVER, FURTHER ISOLATED INCIDENTS OF SABOTAGE WERE REPORTED OVER THE WEEKEND.

8. ONE OF THE CONSIDERATIONS IN ORDERING THE RETURN TO WORK, UNION SOURCES MAINTAINED, WAS THE FEAR OF BEING BLAMED FOR THE CURRENT BOMBING OFFENSIVE LAUNCHED BY THE MONTONEROS IN CONNECTION WITH THE PERONIST "DAY OF LOYALTY." (SEE SEPTTEL THUS, TO SOME DEGREE THE GOVERNMENT COMMUNIQUE MAY BE SAID TO HAVE ENTERED INTO THE UNION DECISION TO WORK ACTIVITIES. HOWEVER, TACCONE MAINTAINS THAT THE UNION WILL ORDER A REINITIATION OF THE STRIKE TODAY (OCTOBER 20) IF THE GOVERNMENT REJECTS THE UNION PROPOSAL. HE ASSERTS THAT THE UNION LEADERSHIP (I.E., EX-UNION LEADERSHIP) STILL HAVE CONTROL OVER "99 PER CENT" OF THE LUZ Y FUERZA RANK FILE.

9. THE UNION REPORTEDLY ALSO ORDERED ITS LOCALS IN OTHER PROVINCES WHICH PARTICIPATED IN WORK STOPPAGES LAST WEEK TO RETURN TO WORK, PARTICULARLY IN THOSE AREAS WHERE THERE WAS A CONCERN OVER ADHESION FROM OTHER UNION SECTORS CONTROLLED BY LEFTISTS OR BY THOSE LACKING UNION LEADERSHIP AND DISCIPLINE. (NOTE: THE POWER FAILURE IN SOME OF THE PROVINCES NOTED IN REFTTEL WAS A RESULT OF WORK STOPPAGES RATHER THAN A MANAGEMENT DECISION TO RELIEVE THE LOAD ON OVERWORKED EQUIPMENT IN BUENOS AIRES, AS INCORRECTLY REPORTED REFTTEL. THE GRIDS IN THE FARAWAY PROVINCES ARE UNCONNECTED TO THAT OF BUENOS AIRES.)

10. THE "COMMITTEE OF FIVE," THE AD HOC COORDINATING COMMITTEE REPRESENTING THE CURRENT TOP LEADERSHIP OF THE LABOR MOVEMENT, REPORTEDLY CONSIDERED ISSUING A DECLARATION OF SUPPORT FOR THE LIMITED OFFICIAL USE

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LUZ Y FUERZA UNION, BUT HAVE HELD BACK FOR FEAR OF EXACERBATING THE SITUATION AND IN VIEW OF THE RELUCTANCE OF THE LUZ Y FUERZA LEADERSHIP TO ACCEPT SUCH SUPPORT. HOWEVER, IT IS POSSIBLE THAT THERE WILL BE A STATEMENT BY THE COMMITTEE OF "FIVE" OFFERING ITS GOOD OFFICES TO THE LABOR MINISTRY TO MEDIATE THE CONFLICT (*) BANKWORKERS REPORTEDLY ARE IN A

PRE-STRIKE STAGE OVER A GOVERNMENT PLAN TO LENGTHEN BANKING
HOURS, AND THERE MAY ALSO BE LABOR CONFLICTS IN THE TELE-
COMMUNICATIONS AND AIRLINES INDUSTRIES, AMONG OTHERS, LOOMING
ON THE HORIZON.
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